

BEFORE THE  
POSTAL RATE COMMISSION

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POSTAL RATE AND FEE CHANGES, 1997

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY  
DOCKET NO. R97-1

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FOURTH SET OF INTERROGATORIES FROM UNITED PARCEL SERVICE  
TO UNITED STATES POSTAL SERVICE WITNESS ALEXANDROVICH  
(UPS/USPS-T5-12 through 16)

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(September 17, 1997)

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby serves the following interrogatories and requests for production of documents directed to United States Postal Service witness Alexandrovich (UPS/USPS-T5-12 through 16).

Respectfully submitted,



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Of Counsel.

**FOURTH SET OF INTERROGATORIES FROM UNITED PARCEL SERVICE  
TO UNITED STATES POSTAL SERVICE WITNESS ALEXANDROVICH**

**UPS/USPS-T5-12.** Please refer to your Workpaper B, W/S 7.0.4.2, Lines 53-54.

- (a) Please confirm that the elasticities used in columns 6 through 10 do not equal the elasticities presented in Tables 6 and 7 of Postal Service witness Baron's testimony (T-17).
- (b) If confirmed, please explain why they do not agree, and explain all adjustments made to Baron's elasticities. Also, please explain why similar adjustments were not made to elasticities related to SDR stops.
- (c) Please provide the workpapers supporting all adjustments.

**UPS/USPS-T5-13.** In reference to your Workpaper B, worksheet 14.0.1, please explain the source of the variability factors for Exceptional Service highway transportation, accounts 53122, 53125, 53128, and 53132, and provide any studies to support these variabilities.

**UPS/USPS-T5-14.** For BY 1996, please provide revenue estimates and volume estimates in terms of pieces, weight, and cubic feet for each category of mail subject to dropship discounts, including all OBMC, DMBC, DSCF, and DDU classifications for each class and subclass of mail.

**UPS/USPS-T22-15.** On page 124.1 of Workpaper A-2, you indicate that the distribution key for C/S 18 Repriced Annual Leave, Holiday Leave Variance and CS Retirement Fund Deficit Current (Components 199, 200 and 201) is Component 526.

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Please provide the breakdown of Component 526 used for these distributions and indicate by name and number which components comprise Component 526.

**UPS/USPS-T22-16.** On page 6.1 of Workpaper A-4, you indicate that PESSA variable costs for C/S 2 Time & Attendance Supervision are developed by taking the difference between total distributed variable costs and volume variable costs less PESSA costs. You further indicate that total distributed variable costs are developed by distributing a total variable cost based on component 527 (all salaries excluding C/S 2 T&A and E&LR, and C/S 3 T&A).

- (a) Please explain what PESSA costs represent.
- (b) Please explain the difference(s) between Components 525 and 527.
- (c) Please explain how PESSA costs are treated in the Rollforward model.

**CERTIFICATE OF SERVICE**

I hereby certify that I have this date served the foregoing document in  
accordance with section 12 of the Commission's Rules of Practice.

A handwritten signature in cursive script, reading "Stephanie Richman", written in black ink.

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Stephanie Richman

Dated: September 17, 1997  
Philadelphia, PA